

BDAC ECOSYSTEM ROUNDTABLE

FUNDING TOOLS

When the CALFED Management Team asked BDAC to establish the Ecosystem Roundtable to provide stakeholder input on near term restoration priorities, they also adopted the concept of a "virtual pool" of funds to implement these priorities. The idea behind this "virtual pool" was to not change any existing funding source's mandates or decision-making structure but to coordinate their expenditures.

This coordination is expected to occur at several levels. The basic level is through coordination among the technical staff working on each of the separate restoration programs. The intent is that as actions are developed, technical staff from each program that could participate in that action are at the table, helping to develop the actions and assign them priorities. CALFED Bay-Delta Program staff would then take the lead on compiling this information into the overall three-to-five year workplan.

The next level of coordination would be stakeholder input on the three-to-five year workplan. Through the Ecosystem Roundtable, the diverse stakeholder interests have an opportunity to work together to forge a consensus on what they believe the priorities should be. While this input is advisory to the CALFED Management Team, consensus amongst the stakeholders carries considerable weight. This type of consensus has already resulted in the passage of Proposition 204 and the federal authorization of \$430 million in matching funds for ecosystem restoration.

The CALFED Management Team also provides an opportunity for coordination. The CALFED Management Team will be making decisions on expenditure of Category III funds including any additional federal funds that are appropriated under the federal authorization and so can take immediate action on recommendations on these funds. The individual CALFED agencies are also the decision makers on many of the other funding sources and are expected to take consensus recommendations under advisement as they implement those other programs. Using the "virtual pool" concept, individual CALFED agencies are not bound to take the advice of the Ecosystem Roundtable or the CALFED Management Team, but again the power of consensus is expected to play a significant role.

A last mechanism for coordination is through voluntary consolidation of different funding sources into the process being established for the Ecosystem Roundtable. This could include agreements to use a common proposal solicitation process all the way to consolidation of decision making authority. These types of mechanisms are being discussed but the most important prerequisite to their implementation is for the Ecosystem Roundtable and the CALFED Bay-Delta Program continue to develop a model program that is efficient, effective, and results in action.

Information on Funding Tools Available for the Roundtable's Use

Direct funding for CALFED Ecosystem Restoration projects will be available through Proposition 204 monies and matching federal funds. In addition, there is funding available from a wide variety of ongoing federal, state, and local programs, in addition to private groups, that may be utilized for support of common ecosystem restoration goals. A listing of many of these funding sources is provided in the attached draft document entitled "Programs Related to Improving and Protecting the Bay-Delta System" (this document is for informational purposes only, and is subject to further revision).

Available funding "tools" described in the attached document and elsewhere can be grouped into four major categories as they relate to the mission of the Roundtable. There are the programs where the CALFED Management Team has direct decision making authority, programs which have closely aligned goals and geographic scope, programs which can provide tools to deal with specific needs but which have a much larger scope or goals which may go beyond ecosystem restoration, and programs that have closely aligned goals but which have much more limited geographic scope. We have highlighted some of the most pertinent programs.

CALFED Direct Decision Authority

CALFED has direct decision making authority over use of Category III funds and related federal matching funds. There is currently \$60 million available through Category III portion of Proposition 204, and additional stakeholder contributions are expected. Federal funds are authorized up to \$140 million/year, although the amount to be appropriated is not yet known.

Closely Aligned Central Valley Fisheries Funding Programs

A second funding tool includes ongoing programs that are expected to have significant involvement and make relatively large funding contributions to solving Central Valley fisheries problems. Examples of these programs include the Central Valley Project Improvement Act (CVPIA), the Tracy Fish Agreement, and the Four Pumps program.

The CVPIA was passed in 1992 as an amendment to the federal government's Central Valley Project. It includes numerous mandates that relate to restoration of fish and wildlife resources in the Central Valley, including the Delta. The CVPIA is administered by the U.S. Fish and Wildlife Service (USFWS) and Bureau of Reclamation (USBR), and is authorized for up to \$50 million per year to carry out provisions of the Act. Major programs under the CVPIA include the Anadromous Fish Screen Program and the Anadromous Fish Restoration Program.

The Tracy Fish Agreement between the California Department of Fish and Game (CDFG) and the USBR was implemented to reduce, offset, or replace direct losses of chinook salmon and striped bass in the Delta caused by the diversion of water at the USBR Tracy Pumping Plant. The activities proposed under the agreement and the level of funding is contingent on the USBR budget.

The Delta Pumping Plant Fish Protection Agreement (Four Pumps) between CDFG and the California Department of Water Resources (DWR) is intended to offset chinook salmon, steelhead, and striped bass losses at the State Water Project facilities. Funded actions through the Four Pumps Agreement include a wide variety of aquatic resource enhancements, particularly for salmon and striped bass. A \$15 million account has been set up for fish population recovery programs, and \$6 million is annually spent on mitigation for losses of fish at the SWP pumping plant.

Statewide Funding Programs For Restoration

Several programs of a broad geographic nature provide sources of additional funding for restoration projects that are consistent with CALFED's mission. These programs include Clean Water Act (CWA) grants, and loads administered by the State Water Resources Control Board with oversight by federal EPA which include about \$6 million a year in grants and \$180 million a year in State Revolving Fund loads. These funds are targeted at water quality planning, watershed management, and control of non-point sources.

The US Army Corps for Engineers has funds available for restoration through their Section 1135 process which funds projects such as Prospect Island which cost less than \$5 million. They can provide funding for larger projects through their General Investigation process if authorized by Congress.

The Natural Resources Conservation Service (formerly the SCS) has funding available for a wide variety of programs under the Wetlands Reserve Program and other programs in the Farm Bill. These funds are administered through local Resource Conservation Districts and can be used to address issues as diverse as water quality concerns and fish screening at small diversions.

There are numerous other state and federal programs that have traditionally funded habitat restoration such as the Land and Water Conservation Fund and the Sport Fish Restoration Fund.

Local Mitigation Funds

In addition to broad programs aimed at the entire state, the Central Valley, or the Delta, certain localities receive or generate a variety of mitigation or enhancement funds for use in restoration of local fish, wildlife, or related resources. Examples of this type of funding tool include Yuba County Water Agency's program to fund fisheries restoration on the Yuba River, San Francisco, Modesto and Turlock Irrigation Districts' restoration work on the lower Tuolumne River, and the California Waterfowl Association's incentive programs for wetlands enhancement.